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CENTRAL INTELLIGENCE GROUP INTELLIGENCE REPORT

COUNTRY Germany (Russian Zone)

DATE:

INFO.

SUBJECT The Schoeller & Bausch Paper Factory

DIST. ~~XX~~ September 1947

PAGES

SUPPLEMENT

50X1-HUM

ORIGIN

- 1 The paper mills of Felix Schoeller & Bausch in Neu-Kaliss were dismantled in the spring and summer of 1946 and removed to Antropshinov, near Leningrad. The machinery is badly stored there, and another winter of exposure will ruin it. [redacted] the machinery from Neu-Kaliss will not be reassembled in Russia before the winter, as the Russian Government has earmarked no funds for this purpose in the 1947-48 budget. No funds for building purposes have been allocated to the Ministry controlling paper output. 50X1-HUM
- 2 A director of the firm of Schoeller & Bausch made the following comments on the relationship between the SMA and the Mecklenburg government on 15 June 1947:

"The value of the machinery dismantled by the Russians was assessed by them at 4,500,000 RM. Costs of reconstruction to date have been 750,000 RM. They have been met by the sale of stocks of the paper remaining after the completion of the dismantling. A credit of two million RM, for five years free of interest, has been allotted by the Mecklenburg government. To avoid misunderstandings, it must be explained that the Mecklenburg government received eight million RM from SMA secret funds to subsidize the reconstruction of certain plants. Two million RM were to be allotted for the reconstruction of Schoeller & Bausch. Eight hundred thousand to one million RM will be drawn from this credit in the near future."

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